

**REMARKS**

The present application has been reviewed in light of the Office Action mailed on July 18, 2006. Claims 1, 2, 12, 16, 17, 27, 32, 40, 41, 44, 47, 49, 55, 61, 62 and 70-74 are pending in the application with Claims 1, 12, 16, 27, 47, 55, 62 and 73 being in independent form. By the present amendment, Claims 40 and 55 have been amended.

In the Office Action, Claims 1, 2, 12, 16, 17, 27, 32, 40, 41, 44, 47, 49, 62 and 70-74 were rejected under 35 U.S.C. Section 103(a) as being unpatentable over U.S. Patent No. 6,760,470 issued to Bogosian et al. in view of U.S. Patent Publication No. 2002/0087469 issued to Ganesan et al. Claim 40 has been amended to depend from independent Claim 55 and to better define Applicants' claimed subject matter. Claims 55 and 61 were rejected under 35 U.S.C. Section 103(a) as being unpatentable over Bogosian et al. in view of Ganesan et al. and in view of U.S. Patent No. 6,477,509 issued to Hammons et al. Independent Claim 55 has been amended in a manner which is believed to overcome the rejection. The rejections with respect to all of the claims, except independent Claim 55, are respectfully traversed.

**I. The Combination of Bogosian et al. and Ganesan et al.****Does Not Render Applicants' Claims 1, 2, 12, 16, 17, 27, 32, 40, 41, 44, 47, 49, 62 and 70-74 Unpatentable**

As stated above, Claims 1, 2, 12, 16, 17, 27, 32, 40, 41, 44, 47, 49, 62 and 70-74 were rejected under 35 U.S.C. Section 103(a) as being unpatentable over U.S. Patent No. 6,760,470 issued to Bogosian et al. in view of U.S. Patent Publication No. 2002/0087469 issued to Ganesan et al.

**A. Teachings of Bogosian et al.**

Bogosian et al. teaches a method for transferring funds between buyers and sellers in an electronic commerce system that provides a marketplace for users to buy and sell goods, such as online auction systems or a "flea market" system. Bogosian et al. teaches that when a buyer purchases one or more items from a seller, the buyer's credit card account is charged to collect funds for the purchase, and at least a portion of the collected funds is deposited into a bank account of the seller using a previously extracted bank routing number. See Abstract; column 2, lines 48-67; column 5, lines 41-55; column 13, lines 48-55.

**B. Teachings of Ganesan et al.**

Ganesan et al. teaches a system and method for making payments on a network by a payment service provider. The service provider receives information identifying both a network user and the network user's bank account, and a request to make a payment on behalf of the network user. The information identifying the payment account can include an account number associated with the account and information identifying a financial institution at which the account is maintained. See paragraph 0045. The payment account associated with the network user can be one of several types of accounts. These include a demand deposit account, a savings account, a brokerage account, a stored value account of reserved funds, and a credit account such as a credit card issued by a bank or any other line of credit, among possible types of accounts. See paragraph 0053.

**C. Applicants' Independent Claim 1**

It is respectfully submitted that the Examiner mischaracterizes the system described by Bogosian et al. For example, at the bottom of page 2 and the middles of page 3 of the Office

Action where the Examiner sets forth reasons for rejecting Applicants' Claim 1, the Examiner mischaracterizes the teachings of Bogosian et al. At the bottom of page 2, the Examiner states that Bogosian et al. discloses creating a plurality of payment accounts "*wherein funds stored within can be used by said plurality of users...for effecting payment for network transactions associated with said electronic auction web site.*" (Emphasis added) At the middle of page 3, the Examiner states that Bogosian et al. discloses "*deducting funds from the payment account and corresponding to the winning bidder, and using at least a portion of the deducted funds to effect payment to at least the seller.*" (Emphasis added) The Examiner then inconsistently states at the bottom of page 3 that Bogosian et al. fails to explicitly teach storing funds within payment accounts.

This statement is inconsistent with the Examiner's earlier statements regarding Bogosian et al. which are reiterated above where the Examiner states that funds stored within the plurality of accounts can be used for effecting payment for network transactions and that funds deducted from a payment account corresponding to the winning bidder are used to effect payment to at least the seller. If Bogosian et al. fails to teach storing funds within payment accounts, how can Bogosian et al. teach using funds stored within a plurality of accounts for effecting payment for network transactions and deducting funds from a payment account corresponding to the winning bidder for use in effecting payment to at least the seller.

In fact, as stated in the response to the previous Office Action, it is respectfully submitted that neither Bogosian et al. nor Ganesan et al. disclose or suggest deducting funds from a payment account to effect payment to at least the seller, where the payment account is created using informational data received via at least one web page by an operator of an electronic

auction web site, as recited by Applicants' Claim 1.

In contrast to Applicants' Claim 1 recitations, Bogosian et al. discloses *charging a buyer's credit card* for collecting funds to be used for effecting payment. Bogosian et al. does not disclose or suggest using a payment account storing funds therein for effecting payment, let alone, a payment account storing funds therein and created using informational data received by an operator of the electronic auction web site, as recited by Applicants' Claim 1.

Additionally, in contrast to Applicants' Claim 1 recitations, Ganesan et al. discloses *using a payment account created and maintained by a financial institution* for effecting payment. Ganesan et al. does not disclose or suggest using a payment account created using informational data received by an operator of the electronic auction web site for effecting payment, as recited by Applicants' Claim 1.

Accordingly, the rejection under 35 U.S.C. Section 103(a) with respect to Claim 1 over Bogosian et al. in view of Gancsan et al. is respectfully requested.

#### **D. Applicants' Independent Claims 12 and 47**

Additionally, the Examiner mischaracterizes the system described by Bogosian et al. in rejecting Applicants' Claim 12. See, e.g., the top of page 5 of the Office Action where the Examiner incorrectly states that Bogosian et al. discloses "fiends [sic] stored within the plurality of payment accounts can be used by said plurality of users for effecting payment for network transaction associated with said electronic auction web site." The Examiner then once again inconsistently concludes at the bottom of page 5 that "Bogosian fail to explicitly teach storing funds [within payment accounts]."

As stated above with respect to Applicants' Claim 1 and in the response to the previous Office Action, it is respectfully submitted that neither Bogosian et al. nor Ganesan et al. disclose or suggest of using funds stored within the plurality of payment accounts for effecting payment for network transactions associated with the electronic auction web site, where the plurality of payment accounts are created using informational data received via at least one web page by an operator of the electronic auction web site, as recited by Applicants' Claim 12 and similarly recited by Applicants' Claim 47.

In contrast to Applicants' recitations in Claims 12 and 47, Bogosian et al. discloses *charging a buyer's credit card* for collecting funds to be used for effecting payment. Bogosian et al. does not disclose or suggest using payment accounts storing funds therein for effecting payment, let alone, payment accounts storing funds therein and created using informational data received by an operator of the electronic auction web site, as recited by Applicants' Claim 12 and similarly recited by Applicants' Claim 47.

Additionally, in contrast to Applicants' recitations in Claims 1, 12 and 47, Ganesan et al. discloses *using a payment account created and maintained by a financial institution* for effecting payment. Ganesan et al. does not disclose or suggest using payment accounts created using informational data received by an operator of the electronic auction web site for effecting payment for network transactions, as recited by Applicants' Claim 12 and similarly recited by Applicants' Claim 47.

Accordingly, the rejection under 35 U.S.C. Section 103(a) with respect to Claims 1, 12 and 47 over Bogosian et al. in view of Ganesan et al. is respectfully requested.

**E. Applicants' Independent Claim 16**

Applicants have amended independent Claim 16 in a manner which is believed to overcome the rejection under 35 U.S.C. Section 103(a). In particular, Claim 16, as presently presented, recites "wherein both payment accounts are created by receiving information data by an operator of the electronic auction web site and are configured for storing funds therein for use in effecting payment for network transactions associated with the electronic auction web site."

Neither, Bogosian et al. nor Ganesan et al. disclose or suggest "payment accounts created by receiving information data by an operator of an electronic auction web site and the payment accounts are configured for storing funds therein for use in effecting payment for network transactions associated with the electronic auction web site," as recited by Applicants' Claims 16.

In contrast to Applicants' recitations in Claim 16, Bogosian et al. discloses *charging a buyer's credit card* for collecting funds to be used for effecting payment. Bogosian et al. does not disclose or suggest using payment accounts storing funds therein for effecting payment, let alone, payment accounts created by receiving information data by an operator of an electronic auction web site and the payment accounts are configured for storing funds therein for use in effecting payment for network transactions associated with the electronic auction web site, as recited by Applicants' Claim 16.

Additionally, in contrast to Applicants' recitations in Claim 16, Ganesan et al. discloses *using a payment account created and maintained by a financial institution* for effecting payment. Ganesan et al. does not disclose or suggest using payment accounts created by receiving information data by an operator of an electronic auction web site and the payment accounts are configured for storing funds therein for use in effecting payment for network transactions

associated with the electronic auction web site, as recited by Applicants' Claim 16.

Accordingly, the rejection under 35 U.S.C. Section 103(a) with respect to Claim 16 over Bogosian et al. in view of Ganesan et al. is respectfully requested.

**F. Applicants' Independent Claim 27**

Bogosian et al. and Ganesan et al. do not disclose or suggest at least "maintaining a plurality of payment accounts configured for storing funds therein and each capable of being used for effecting payment for network transactions associated with said electronic auction web site," as recited by Applicants' Claim 27.

Further, with respect to Claim 27, neither Bogosian et al. nor Ganesan et al. disclose or suggest at least "one of the plurality of payment accounts corresponds to the buyer and is accessible by the buyer via the electronic auction web site for transmitting information to an operator of the electronic auction web site for changing at least one payment source used for funding said payment account and for authorizing the loaning of funds to said buyer, wherein the loaning of funds to the buyer does not include charging a credit card associated with the buyer."

Neither Bogosian et al. nor Ganesan et al. disclose or suggest funding a payment account configured for storing funds therein and capable of being used for effecting payment for network transactions associated with an electronic auction web site, let alone, changing at least one payment source used for funding such a payment account, as recited by Applicants' Claim 27. Further, neither Bogosian et al. nor Ganesan et al. disclose or suggest loaning fund funds to a buyer, where the loaning of funds does not include charging a credit card associated with the buyer, as recited by Applicants' Claim 27.

Accordingly, the rejection under 35 U.S.C. Section 103(a) with respect to Claim 27 over

Bogosian et al. in view of Ganesan et al. is respectfully requested.

**G. Applicants' Independent Claim 62**

With respect to Applicants' Claim 62, neither Bogosian et al. nor Ganesan et al. disclose or suggest at least "receiving via the electronic commerce web site at least one input from the buyer indicating an initiation to purchase the at least one item offered for auction sale prior to said electronic commerce system receiving any bids for said at least one item ... [and] transferring funds from the at least one payment account storing funds therein and corresponding to the buyer to the at least one payment account corresponding to the seller in real-time to effect the immediate payment."

Neither Bogosian et al. nor Ganesan et al. disclose or suggest enabling a buyer to initiate purchase for at least one item offered for auction sale *prior to receiving any bids* for the at least one item, let alone, transferring funds from at least one payment account storing funds therein to at least one other payment account for effecting payment for the at least one item *prior to receiving any bids* for the at least one item, as recited by Applicants' Claim 62.

Further, the systems described by Bogosian et al. and Ganesan et al. do not allow for immediate payments to be made to sellers. Bogosian et al. charges a buyer's credit card for effecting payment to a seller. One skilled in the art of credit card payment processing understands that charging a buyer's credit card does not result in an immediate payment to the seller.

Ganesan et al. describes that the electronic debits and electronic credits from and to demand deposit accounts are made via the automated clearinghouse bank network (ACH). See paragraph 0107. One skilled in the art of payment processing understands that electronic debits



and credits via the automated clearinghouse bank network do not result in a seller being paid immediately.

Accordingly, the rejection under 35 U.S.C. Section 103(a) with respect to Claim 62 over Bogosian et al. in view of Ganesan et al. is respectfully requested.

#### **H. Applicants' Independent Claim 73**

With respect to Applicants' Claim 73, neither Bogosian et al. nor Ganesan et al. disclose or suggest at least "receiving instructions from an electronic commerce customer via a web page to authorize payment to said electronic commerce merchant; determining whether the instructions include an authorization to use funds associated with a financial system and not owned by the electronic commerce customer to effect payment to said electronic commerce merchant...wherein said method for effecting payment does not require the disclosure of credit card information corresponding to said electronic commerce customer to said financial system."

Neither, Bogosian et al. nor Ganesan et al. disclose or suggest using funds associated with a financial system and not owned by an electronic commerce customer to effect payment to an electronic commerce merchant, where the method for effecting payment does not require the disclosure of credit card information corresponding to the customer to the financial system, as recited by Applicants' Claim 73.

In contrast to Applicants' recitations in Claim 73, Bogosian et al. uses funds associated with a financial system and not owned by an electronic commerce customer to effect payment by charging the customer's credit card (thereby, using funds associated with a financial system). Further, in contrast to Applicants' recitations in Claim 73, the method described by Bogosian et al. entails the disclosure of credit card information (c.g., credit card number) corresponding to the

customer to financial systems for charging the customer's credit card. Applicants' Claim 73 explicitly recites "wherein said method for effecting payment *does not require the disclosure of credit card information* corresponding to said electronic commerce customer to said financial system."

Gancsan et al. does not cure the deficiencies of Bogosian et al. Ganesan et al. describes methods where customer owned funds are used to effect payment, or a customer's credit card is charged in a similar manner as described by Bogosian et al. Ganesan et al. also states that "any other line of credit" is a possible type of account. See paragraph 0053. However, Ganesan et al. does not disclose or suggest that if "any other line of credit" is used as a payment account, the method does not require the disclosure of credit card information corresponding to the customer to the financial system, as recited by Applicants' Claim 73.

Accordingly, the rejection under 35 U.S.C. Section 103(a) with respect to Claim 73 over Bogosian et al. in view of Ganesan et al. is respectfully requested.

Claims 2, 17, 32, 40, 41, 44, 49, 70-72 and 74 depend from independent Claims 1, 16, 47, 55, 62 and 73 and therefore include the limitations of Claims 1, 16, 47, 55, 62 and 73. Therefore, for at least the reasons given above regarding the patentability of Claims 1, 16, 47, 55, 62 and 73, Claims 2, 17, 32, 40, 41, 44, 49, 70-72 and 74 are patentable over Bogosian et al. and Ganesan et al., taken alone or in any proper combination. Accordingly, the rejection under 35 U.S.C. Section 103(a) with respect to Claims 2, 17, 32, 40, 41, 44, 49, 70-72 and 74 over Bogosian et al. in view of Ganesan et al. is respectfully requested.

## **II. The Combination of Bogosian et al. and Ganesan et al.**

### **Does Not Render Applicants' Claims 55 and 61 Unpatentable**

Claims 55 and 61 were rejected under 35 U.S.C. Section 103(a) as being unpatentable over Bogosian et al. in view of Ganesan et al. and in view of U.S. Patent No. 6,477,509 issued to Hammons et al.

#### **A. Teachings of Hammons et al.**

Hammons et al. teaches an internet marketing method and system where information is directed at a computer screen of a consumer by merchants of goods, services, or information. A lending partner provides the initial capital to offer the consumer an incentive for signing up for the system, and for supplying pertinent information about herself. A management system integrates the merchant information with consumer information, to send a targeted stream of information to the user. Purchases could be made from the system, whether connected to the network or not. The lending partner is repaid for the consumer's incentive from revenues paid into the management system related to each individual consumer transaction.

#### **B. Applicants' Independent Claim 55**

The Examiner at the bottom of page 16 of the Office Action sets forth reasons for rejecting Applicants' Claim 55. The Examiner recites Applicants' claim language and states that Bogosian et al. discloses at "column 4 lines 18-55 and column 5 lines 1-55 and column 12 lines 47-50 and column 13 lines [sic] 65 and column 14 line 5" that each payment account of the plurality of payment accounts is capable of being used for "effecting payment for network transactions associated with said electronic commerce web site and for complying to an incentive offer made by an operator of the electronic commerce web site."

It is respectfully submitted that Bogosian et al. does not disclose or suggest an incentive offer, let alone, an incentive offer made by an operator of the electronic commerce web site based, as recited by Applicants' Claim 55. Hence, Bogosian et al. also does not disclose or suggest where "said incentive offer provides for a user of said plurality of users to perform an activity via said electronic commerce web site which will cause a change in the amount of funds stored in the payment account corresponding to the user," as recited by Applicants' Claim 55.

Ganesan et al. does not cure the deficiencies of Bogosian et al. Ganesan et al. does not disclose or suggest an incentive offer, let alone, an incentive offer made by an operator of the electronic commerce web site, as recited by Applicants' Claim 55. Therefore, as stated by the Examiner in the Office Action at the top of page 18, "Ganesan fail [sic] to explicitly teach wherein said incentive offer provides for a user of said plurality of users to perform an activity via said electronic commerce web site which will cause a change in the amount of funds stored in the payment account corresponding to the user," as recited by Applicants' Claim 55.

Hammons et al. does not cure the deficiencies of Bogosian et al. and Ganesan et al. Hammons et al., as described above, relates to an internet marketing method and system where the system receives funds from investors and uses them to provide a viewing incentive for one or more of the system users for viewing targeted information. See column 2, lines 12-14. There is no disclosure or suggestion by Hammons et al. that the incentive offer is based on the amount of funds periodically transferred to a payment account corresponding to the user, as presently recited by Applicants' Claim 55.

Therefore, neither Bogosian et al., Ganesan et al. nor Hammons et al., taken alone or in any proper combination, disclose or suggest incentive offers made by an operator of an electronic

commerce web site, let alone, an incentive offer made by an operator of the electronic commerce web site based on the amount of funds periodically transferred to a payment account corresponding to the user, as recited by Applicants' Claim 55.

Accordingly, the rejection under 35 U.S.C. Section 103(a) with respect to Claim 55 over Bogosian et al. in view of Ganesan et al. and further in view of Hammons et al. is respectfully requested.

Claim 61 depends from independent Claim 55 and therefore includes the limitations of Claim 55. Therefore, for at least the reasons given above regarding the patentability of Claim 55, Claim 61 is patentable over Bogosian et al., Ganesan et al. and Hammons et al., taken alone or in any proper combination. Accordingly, the rejection under 35 U.S.C. Section 103(a) with respect to Claim 61 over Bogosian et al. in view of Ganesan et al. and further in view of Hammons et al. is respectfully requested.

### III. Conclusions

Accordingly, it is believed that independent Claims 1, 12, 16, 27, 47, 62 and 73 are patentable over Bogosian et al. and Ganesan et al., taken alone or in any proper combination. It is also believed that independent Claim 55 is patentable over Bogosian et al., Ganesan et al. and Hammons et al., taken alone or in any proper combination. Accordingly, withdrawal of the rejections with respect to independent Claims 1, 12, 16, 27, 47, 55, 62 and 73 and allowance thereof are respectfully requested.

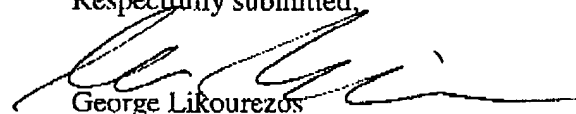
Claims 2, 17, 32, 40, 41, 44, 49, 61, 70, 71 and 74 depend from independent Claims 1, 16, 47, 55 and 73 and therefore include the recitations of these independent claims. Hence, for at least the reasons given above for independent Claims 1, 16, 47, 55 and 73, withdrawal of the

rejections with respect to dependent Claims 2, 17, 32, 40, 41, 44, 49, 61, 70, 71 and 74 and allowance thereof are respectfully requested.

In view of the foregoing amendments and remarks, it is respectfully submitted that all claims presently pending in the application are patentably distinguishable over the art of record and allowance thereof is earnestly solicited.

If the Examiner should have any questions concerning this communication or feels that an interview would be helpful, the Examiner is requested to call the undersigned Applicant at (631) 220-5706.

Respectfully submitted,



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